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December 30, 2013

**VIA EMAIL** [jtheile@health.nv.gov](mailto:jtheile@health.nv.gov)

Joe Thiele, Management Analyst  
Nevada Division of Public & Behavioral Health (DPBH)  
Medical Marijuana Program  
4150 Technology Way  
Carson City, NV 89706-2009

**Re:** Proposed Amendments to Nevada Administrative Code  
Chapter 453A (Medical Marijuana Registration)

Dear Mr. Thiele:

I wish to submit the following comments to the most recent draft regulations and as a follow up to my brief comment at the December 23, 2014 open meeting. I appreciate the Division's extension of the due date as it was beneficial to have additional time to respond in light of the holidays and end of the year time constraints.

My comments on the proposed regulations are as follows:

**Section 23(1)** requires certain types of entities have two individuals sign on behalf of the organization when providing documents to the Division. However, limited liability companies are only required to have "a manager" or "a member" sign on behalf of the LLC. I do not see an apparent or meaningful reason to distinguish a corporation, partnership, association or joint venture from an LLC and believe that the requirements should be consistent. It would seem that one individual with proper authority would suffice for all corporate forms.

**Section 25(2)** currently states that the Division will include in its request for applications the point values that will be allocated to various portions of the applications. This is simply not enough time for applicants and we respectfully request that the point values be released as early as possible. The submission of a proper application will require a significant capital investment by the applicant. Applicants are working and investing capital at this time to assemble the components of a complete application and it would be very helpful to the applicants to know how the various components of the application will be weighted. This will benefit the

applicants and the Division as it will result in the most qualified applicants submitting the most complete and competitive applications.

**Section 27(1)(c)** references NRS 453A.326 and uses the term “amount of taxes paid to, or other beneficial financial contributions made to, the State of Nevada or its political subdivisions.” This has raised an extensive discussion as to what amounts will be included in this calculation. The type of qualifying contributions should be clarified and there should be a specific list of included or excluded items. Additionally, many applicants may not have made these contributions individually, but they may have been made through other various entities which they control or manage. If these contributions are not going to be included in the calculation the Division should make that clear in the regulations.

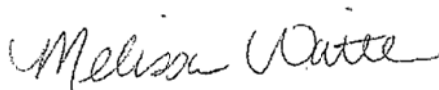
**Section 35(1)** includes unnecessary restrictions on transfer of an interest. These restrictions are far more restrictive than any other privilege license such as liquor or gaming. This restriction could cause a business to surrender its certificate in the situation of a voluntary *or involuntary transfer* that is made by operation of law. These circumstances arise frequently and are often unavoidable. Examples would include death, disability, divorce, bankruptcy or other similar event that would require a transfer of interest outside the 10 business day annual application period. This provision is unnecessarily burdensome, will result in loss of investment and does not account for certain unexpected circumstances or financial hardship of owners.

**Section 36.3** as stated by many others commenting in the public forum and in written remarks, the expense of audited financials is burdensome. The Division should be able to get a comfort level with the financials of the company without requiring this for every applicant. Perhaps this can be used as a tool for the Division to use at their discretion when there is a question raised about a particular operator’s financial statements.

Thank you for the opportunity to submit these written remarks on the proposed regulations and engage in a meaningful dialogue with the Division regarding the adoption of these regulations. Should you have any questions or concerns, please do not hesitate to contact this office.

Sincerely,

JOLLEY URGAL WIRTH WOODBURY  
& STANDISH

A handwritten signature in cursive script, reading "Melissa Waite".

Melissa L. Waite, Esq.

MLW:ke